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TO : The Acting Secretary
FROM: INR - Roger Nilsen

INTELLIGENCE NOTE: POSSIBLE SHIFT IN APPROACH TO BERLIN

New Formula on Berlin? In a radical departure from previous Soviet statements, the USSR's note of August 3 asserts that the "free city" proposal "signifies nothing more than the readiness of the Soviet Union to settle, together with all interested parties, the question of status of West Berlin after the signature of a German peace treaty." Heretofore, the Soviets maintained that agreement on a "free city" would be reached prior to (and independently of) or simultaneously with a peace treaty.

Possible Explanations: There are three possible explanations for this curious innovation:

(1) The statement implies that the USSR plans to sign a separate treaty and then negotiate, under the gun, so to speak, on a new status for West Berlin. This seems unlikely. There are numerous current indications, including those contained in the note, that the Soviets aim at and urgently wish negotiations in which their position is buttressed by the threat of impending unilateral action. This has been their tactic since 1958. Indeed, authoritative Soviet officials have already begun hinting (as they did in early 1959)

that the

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that the year-end deadline would be allowed to lapse if negotiations were underway.

(2) Another, and perhaps the most likely, explanation is that the Soviets wish to make the West believe that their present plan is to negotiate on Berlin only after signing a separate peace treaty. This would exert additional pressure on the West to agree to early negotiations on terms favorable to the communists.

(3) It is also possible that the Soviets hope through this ploy to gain greater flexibility should they fail in getting negotiations or should negotiations break down before the end of the year. That is, by going on record that a Berlin settlement should follow a peace treaty, the Soviets would accomplish two things: (1) to make good their pledge to sign a separate treaty; (2) forestall a dangerous confrontation by refraining from implementing the treaty provisions on Berlin for a period pending an agreed settlement of "the status of West Berlin." Some support for this interpretation is found in the note's failure to cite the standard formula, "a German peace and on this basis the conversion of West Berlin into a free city." The note does state, however, that a separate treaty would liquidate the "legal basis" for occupation rule in West Berlin.

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